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FOR PUBLIC AFFAIRS STAFF

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DAVID BRINKLEY: A spy a day, almost. Four of them arrested in this country in five days and accused of spying for the Soviet Union, China, and Israel. It appears there are so many around, they will steal the socks off your feet, or anything they can sell to a foreign country for cash. Accused spies have been found in all four of the top secret agencies of government: the National Security Agency, the CIA, the FBI, and military intelligence. Eleven have been arrested this year. Well, how many are still out there at work and have not been discovered?

We'll ask today's guests about all of this: William Webster, Director of the FBI; from Israel, Simcha Dinitz, a member of the Israeli Parliament and former Ambassador to the United States; Senator Daniel Patrick Moynihan of New York, formerly Vice Chairman of the Senate Intelligence Committee; Richard Helms, former Director of the CIA. Some background from our man John Martin....

On the arrest of an American charged with spying for Israel, the Israeli Government apologized this morning and promised to, quote, deal with those responsible, unquote.

Here's ABC's Bob Zelnick in Jerusalem.

BOB ZELNICK: In a statement delivered by Cabinet Secretary Yossi Belin, Israeli apologizes for any spying that may have been committed against the United States, and pledges to take concrete steps to get all the facts and prevent a recurrence of the incident. While saying the internal investigation headed by Prime Minister Shimon Peres is not yet complete, the Israelis pledged to follow the evidence, no matter where the trail might lead.

The statement does not mention accused spy Jonathan Pollard by name, nor does it refer to this man, Rafi Eitan, who reportedly ran the intelligence unit that recruited Pollard. But the statement does pledge, first, that those responsible for the incident will be brought to account; second, that the unit responsible for the activity will be completely and permanently dismantled; and third, that all necessary procedures will be implemented to see that the incident is not repeated.

The statement describes Israel's relationship with the United States as one of friendship, close affinity and mutual trust, and describes espionage as totally contradictory to Israeli policy in dealing with the United States.

The Israelis have still not said they'll let U.S. investigators at their own officials. And while the Israelis have given no date for the completion of their investigation, today's apology is so sweeping and total as to go a long way toward relieving U.S. fears of a cover-up.

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BRINKLEY: The Soviet Union, of course, has been spying in this country for years, all the way back to World War II. Klaus Keats (?) was working in the supersecret Manhattan Project working on the first atomic bomb and sending its secrets to Moscow about as fast as they got to Washington. And they have never stopped buying or stealing secret information.

But Israel, why would they do it? Most of our security information is shared with them anyway, and why would they even need spies?

Here's some background on all this from John Martin.

JOHN MARTIN: The United States is in the middle of the greatest number of espionage prosecutions in history, David. But perhaps not until this week did the nature of spying become so clear. To anybody who had any doubts, there was a lesson, and that is that nation's spy on their enemies, but also their friends. And they pay a price.

If reports are correct, an Israeli diplomat working at this consulate in New York and another working in Washington were the contacts for a spying mission so sensitive that its disclosure is threatening to unravel some of the diplomatic bonds between two of the world's best friends.

CHARLES REDMAN: We are dismayed that the government of Israel was not as forthcoming as we would have hoped and expected. But the important point now, the crucial point is that we have prompt access to those involved.

MARTIN: The immediate issues are return of hundreds of American documents and the right to question the two Israeli diplomats.

The man accused of providing the documents is 31-year-old Jonathan Pollard, reportedly on his way to becoming the Middle East desk officer for naval intelligence.

By some accounts, American intelligence on Arab military strengths, as well as appraisals of the Israeli military, went to an Israeli intelligence unit.

PRESIDENT RONALD REAGAN: As events of recent days have made clear, many nations spy on the United States.

MARTIN: Yesterday, in a radio speech, the President of the United States largely ignored the embarrassing questions of why Israel would resort to espionage and at what level it was authorized. But he warned of the consequences of secret penetration.

PRESIDENT REAGAN: We will not hesitate to root out and prosecute the spies of any nation. We'll let the chips fall where they may.

MARTIN: Despite the high number of recent prosecutions mentioned by Mr. Reagan yesterday, all four major branches of American intelligence have suffered one form of penetration or loss in the last two years.

The National Security Agency: Ronald Pelton, a communications expert, accused of taking Soviet money for revealing secret NSA activities after he left the agency.

The Central Intelligence Agency: Larry Chin, accused of 30 years of spying for Communist China from inside the CIA. Sharon Scharange, convicted of betraying CIA informants in Ghana. And Edward Howard, accused of passing secrets that may have betrayed a CIA informant inside the Soviet Union.

The Federal Bureau of Investigation: Richard Miller, the first agent accused of espionage, now facing retrial.

And Naval Intelligence, where Mr. Pollard was reportedly rising in the ranks, but exposed by colleagues suspicious of his requests for classified documents outside his area of responsibility.

The Pentagon said this past week it is tightening security for the most highly secret materials handled by some 50,000 military and civilian defense workers.

Congress is looking at a series of reforms, including greater use of lie detectors, increased financial auditing, and personality screening.

According to the FBI, counterintelligence funding is up 25 percent, and agents are deliberately pursuing more cases for public prosecution.

JAMES GEER: Going public definitely says something to the Soviets. Yes. To anyone who might in the back of their mind have the thought of maybe this is an easy way to earn some money.

MARTIN: Still, there are troubling questions of whether the United States is doing enough to protect its secrets. Four out of five recent espionage cases were exposed not by counterintelligence agents, but by spouses and a defector. And in recent years the United States has lost a lot of secrets to spies: a radar for tanks, fighters and the Stealth bomber; details of the Minuteman missile; and plans for the keyhole satellite, which looks from space at objects as small as a foot across.

WILLIAM COLBY: Those were telling the Soviets something that, presumably, they didn't know as to our degree of access through various of these techniques. And I'd say they were quite damaging.

MARTIN: But perhaps the most unsettling was the appearance and disappearance of this man, KGB officer Vitaly Yurchenko. Experts are still asking: If the KGB sent him here on a mission, how did he fool the CIA? And what did he accomplish?

Despite losses and confusion, counterintelligence officials insist they are getting better at what they do, getting more money to do it, and getting more cooperation from each other. But this latest series of cases suggests that proposed reforms of the security system are long overdue.

BRINKLEY: We'll be back with the Director of the FBI, a member of the Israeli Parliament, the former Director of the CIA, and a former Vice Chairman of the Senate Intelligence Committee.

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BRINKLEY: Senator Moynihan, in New York, former Vice Chairman of the Senate Intelligence Committee, thanks very much for coming in to talk with us today.

And Richard Helms, here in Washington, former Director

of the CIA.

A pleasure to have both of you with us.

RICHARD HELMS: Good morning, David.

BRINKLEY: How are you?

First tell us, the Israelis, as you have heard a few minutes ago, issued a statement of apology. My question is, why would they have ever done that in the first place? We give them, so far as I know, everything we have in the way of intelligence information.

Senator Moynihan, what do you think?

SENATOR DANIEL PATRICK MOYNIHAN: Well, I don't think they know, at this point.

We don't give them everything. We have warm and close relationships and we share a great deal, not everything.

And the most important point is that they have acted as an ally and as a democracy. They've faced this situation. They've offered us a very handsome apology. We can straighten this out in no time. The KGB is another question altogether.

BRINKLEY: Mr. Helms?

RICHARD HELMS: I would think that if one examines these cases, one discovers that most of espionage in the United States is done on the margins, even by the KGB. They have a vast amount of information about the U.S. from our congressional testimony, from publications, from technical magazines. And all they want are a few little things that are out in the high-tech area that we don't put in the public domain. And I suppose the same thing applies as far as the Israelis are concerned.

I was just surprised that it took them a whole week to make the statement they did this morning, because normally countries, when they get caught at this kind of thing, very quickly try to cauterize the wound and get it over with before the papers and the media in general have an opportunity to sort of have a Watergate run at the thing for a whole week.

BRINKLEY: Here with us are George Will of ABC News and Sam Donaldson, ABC News White House correspondent.

GEORGE WILL: Mr. Helms, how exercised should Americans be over the fact that Israel, which unquestionably is a friend, is doing something that doesn't look very friendly? That is,

does everyone do it? Are we doing it to France and Britain and Germany and Italy? And is it perhaps the case that we do it electronically, and therefore don't get caught, because we have satellites and all kinds of other gadgets, and other people get caught?

HELMS: I don't think that's the case. We use all kinds of human agents in countries all over the world.

After all, espionage is not played by the Marquis of Queensbury rules. And the only sin in espionage is getting caught. And that friends spy on the United States surprises me not at all.

WILL: In other words, we are indeed spying on, say, our NATO allies.

HELMS: I hope so.

WILL: Pat, let me ask you a question. You're sort of qualified to commit sociology in public. And I want you to address this question: Why is it that this sort of thing used to be done for ideological reasons, out of moral passion, sympathy with the politics of the other side; now espionage seems to be a kind of squalid commercial transaction? Should we be alarmed, in some way, about -- I know this is hard to do -- with the moral tone that makes this kind of transaction multiply?

SENATOR MOYNIHAN: I think we should be alarmed and I think we should start pulling out fingernails to make clear it's not funny, it's not worth it, and it won't be tolerated.

But George, you've heard me on this other subject about -- and Mr. Helms and I might not fully agree. It's ten years ago that Nelson Rockefeller, as Vice President of the United States and head of a presidential commission, said that the Soviet Union, the KGB had begun a massive invasion of American telephone communications. When they knew that we knew, and then saw us not do anything, that was a kind of statement that it's going to be a lot easier, a lot more tolerated than anyone had a right to expect.

And Judge Webster and I got together this summer on the subject. I think we're going to. But three Administrations went by, and nothing yet has happened.

HELMS: Of course I agree with you, Pat. It isn't only that. It's there are too many Eastern Bloc diplomats permitted in this country.

SENATOR MOYNIHAN: Uh-huh. Uh-huh. Uh-huh.

BRINKLEY: There are thousands of them, aren't there?

HELMS: Well, I don't know whether there are thousands. But there are certainly -- between the United Nations and their embassies in Washington and consulates around the country, there are hundreds of them. And they're all working for the same boss in the KGB. And I think it's high time that we really got around to seeing to it that we had as many people in their countries as they have in our country.

SENATOR MOYNIHAN: Would you not agree that, at minimum, they've got to stop intercepting American telephone calls? They've practically compromised our entire communications system. And we can stop it. We can tell them to stop it. And we haven't done yet.

SAM DONALDSON: Let me see if I can sort a couple of things out here. I may have misheard you, Mr. Helms. Did you say that the only sin in espionage is getting caught?

HELMS: That's basically what I said.

DONALDSON: Well, then, let's do away with the laws against espionage. Would you not agree?

HELMS: No, I wouldn't agree with that at all. That's just paying with words, Sam. The issue is that since this is an illegal activity to begin with, and espionage has always been illegal since the beginning of time, countries do it, they try not to get caught. If they do get caught, then that's bad. But if they don't get caught, it's a fine thing. And the people that run these agents enjoy it.

DONALDSON: Well now, that's the same thing as saying that if you cheat on your income taxes and don't get caught, that's a fine thing and you're entitled to. It's only if you get caught that you have to pay the price.

HELMS: That isn't the same thing at all.

DONALDSON: Well, explain the difference to me.

HELMS: The difference is that everybody understands that espionage is outside the law. Income taxes are inside the law.

DONALDSON: Oh, if it's outside the law and you don't get caught, that's all right.

HELMS: Well, I don't say it's all right, and I don't say it's the...

DONALDSON: Well, you just said it was all right, Mr. Helms. I don't understand what you're saying.

HELMS: What I am saying is that friendly countries spy on friendly countries; and that when the ruckus starts is when the agent, individually, gets caught.

DONALDSON: Senator Moynihan...

HELMS: Countries know that they spy on each other and they know that this has been going on. And I assume that if you want to get the history of it, you can get the Justice Department to tell you what every country has been doing to spy on the United States.

DONALDSON: Well, Senator Moynihan, did I hear you originally suggest that perhaps Israeli spying against the United States was something to be excused; that it's Soviet spying that really threatens us? Should there be a different administration of the law?

SENATOR MOYNIHAN: No, sir. No, sir. I said that the Israeli government had behaved as an ally and as a democracy, has moved to clear this up, and will do, and it had to do. And I'm glad it did.

DONALDSON: Well, do you think we should still insist, as we had been, that the U.S. Government be able to interview the Israeli diplomats who went home, even though we wanted them to stay here? And should we continue to insist that all documents that might have been given to Israel in this case be returned?

SENATOR MOYNIHAN: Yes. Let me say this is the time for the people who are friends of Israel to say nothing is going to change that relationship of ours. But that relationship involves an agreement to do what they've just done, to give those documents back and to give us access to those two people.

WILL: Senator Moynihan, I think we'd like to hear more about -- although I know you've spoken about this at length over the years. What kind of telephonic communication are the Russians intercepting?

BRINKLEY: And how do they do it?

WILL: And how important is it that during the period of detente a Republican Administration gave them as a location for their new embassy the highest position in the City of Washington as yet undeveloped?

SENATOR MOYNIHAN: Mt. Alto, where they will have --

they will be intercept the microwave transmissions of just about every major activity in Washington. And then, from a highrise apartment, Riverdale here in the Bronx -- they'll have even more equipment out in Glen Cove. They have a huge dish down in Cuba.

With computers, they can now just about take in anything they're looking for, any telephone call they're looking for. They use the same system that Bell Telephone uses. And we have never told them to stop it.

BRINKLEY: This is phone calls between private persons, not government offices.

SENATOR MOYNIHAN: Yes, sir. The government has begun, David, to bury its lines and use cables. And they're beginning to make a distinction between the protection they provide the government themselves and the people.

WILL: But that must be terribly expensive.

SENATOR MOYNIHAN: It is.

WILL: Why don't we tell -- you say if we told them to stop, would they stop?

SENATOR MOYNIHAN: We can tell them to stop.

Can I tell you what a counsel of the Central Intelligence Agency once said to me when I asked them in a hearing, "Aren't the Soviets violating the Fourth Amendment rights of Americans"?

He said, "No."

I said, "No?"

He said, "No. The Fourth Amendment only protects you against invasion of privacy by your own government."

Now, what does that invite, except contempt from the KGB? And we're beginning to see it.

HELMS: Pat, I don't see how you would believe that if we asked the Soviets to stop this, they in fact would stop it. I mean this listening posts are in their own diplomatic installations, which is after all their own territory in this country. And I think they would sort of laugh at us, wouldn't they, if we said, "You mustn't do this anymore"?

SENATOR MOYNIHAN: I'd be prepared to find out, Dick. Just start expelling them one-by-one.

HELMS: But I don't see the United States Government, in any Administration, following that sort of a policy.

SENATOR MOYNIHAN: I think the President's speech yesterday was a good speech, and it encourages me to think he may do this. We have the legislation coming to him, and it is a possibility. Why not try it?

HELMS: Well, I agree with you. I think the President's speech was excellent.

BRINKLEY: Thank you. I'm sorry, I have to interrupt. Our time is up....

Coming next, from Israel by satellite, Simcha Dinitz, a member of the Israeli Knesset, or Parliament, and former Ambassador to the United States.

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BRINKLEY: Mr. Dinitz, in Israel, thank you very much for coming in to talk with us today. Happy to have you with us.

Now, the statement your government issued a short time ago we have broadcast and sent to all fifty states. And I suspect this will diminish, and perhaps disappear totally very shortly. But in the meantime, we have a few questions, such as: Why did Israel ever want or need to spy on the United States?

SIMCHA DINITZ: Well, obviously, this is the exception and that is contrary to the policy of Israel. Israel has very close and intimate relations with the United States, not only in the political field, but also in the intelligence field, as well as in the military field. And that is why spying in the United States is unauthorized and contrary to Israel's policy, and has been so for years.

And therefore your question, why should Israel spy, is a good question. It should not.

BRINKLEY: But it did.

DINITZ: It did. And that was a terrible mistake for which we apologized, first privately, and today publicly. And we are taking every possible measure -- and I can assure you, relentlessly, we are pursuing it -- not only to punish the responsible ones, but also to dismantle the unit which has been dealing with these matters.

WILL: Mr. Dinitz, you, I believe, were Ambassador in the United States when the question that echoed around this capital was, "What did he know and when did he know it?" And the

question is now going to be asked, have not Shamir, Rabin and Peres, the people most likely to be involved in this in a very serious way, haven't they looked upon themselves and found themselves innocent? Is there going to be some other kind of inquiry into this?

DINITZ: Well, I can assure you -- and I know this from first source -- that neither the Prime Minister nor the Foreign Minister nor the Minister of Defense were aware or, much less, authorized such operation. And that is one of the reasons the investigation is very deep and penetrating. Because in addition to the embarrassment that it caused us in the relations with the United States, it caused us tremendous embarrassment to ourselves, to our own system, that something like this can happen without the political level knowing about it.

WILL: But someone in Israel, and probably someone with experience in intelligence, thought that Israel had something that it needed and could only get this way.

Do you think that was a reasonable judgment? Leave aside the fact that it may not have been worth the risk of getting caught. Is there something Israel needed and could only get this way?

DINITZ: I think, if I may, one has to put it in a proper perspective. One has to remember that we are dealing here with a country, Israel, which is surrounded by 115 million enemies bent on its destruction and preparing war, and a surprise war. And Israel buries daily victims of terrorism. We did this yesterday. We did it today, a few hours before this show.

Therefore, the margin of Israel's security is so narrow that any attempt to gather information from third parties that will lead us to either frustrate acts of terrorism or prevent a surprise attack on us is so acute, it's so needed that, as a result of this desire, sometimes happen cases like this of trespassing, of bypassing, of overriding authorities and regulations.

DONALDSON: Mr. Dinitz, there are stories about that the United States is spying on Israel. Now, do you know that to be a fact? If it is, does it make any difference in this particular case, that two wrongs make a right?

DINITZ: First of all, I don't think that two wrongs make a right.

Secondly, I know very little about these things. And I have listened very carefully to what Mr. Helms said. He is a much greater expert on these matters than I am. And I would believe

him if he says that they do.

But I would say this: If cases like this would have happened in the past, it would always be dealt in a very discreet manner, away from the public eye, as two friendly countries should deal with it, and not blow it in a manner that might endanger -- I hope it doesn't -- the existing intimacy and trust of the relations between our two countries.

DONALDSON: Well, why was this case treated in a different manner, then? Why was it made so public by the United States Government?

DINITZ: Well, that, with all due respect, is not a question that should be addressed to me.

DONALDSON: Why do you think?

DINITZ: I would say that probably the correct -- or the interest that the United States has in catching spies -- and you had a very spy year, I would say, this year, and maybe last few months. And I think it sort of fell into the general pattern of trying to capture or to dismantle spy rings which were really dangerous, which really undermined the national security of the United States. And we fell, somehow, into this array. And as a result, we're treated as if we were a hostile country or if we were a country that was trying to injure the national interest of the United States.

DONALDSON: Well now, as you know, the United States is demanding that it have the right to interview the two Israeli diplomats who were recalled and who are said to have been the contacts for Pollard. And also, the United States is demanding the return of any documents that Pollard may have turned over to you.

Will your government do those things?

DINITZ: I know these American requests. And, of course, I cannot speak for the government and say whether this particular request or that particular request will be responded.

I would say this: that the general mood is of total cooperation with the United States within the framework of what is done and what is not done between two friendly countries. I'm sure that on the proper level these things will be discussed. And our intention will be to give the total and absolute satisfaction to the United States, provided it doesn't outframe what is customary between friends.

DONALDSON Well now, would you advise your government,

since you're not a part of it, would you advise it to accede to U.S. requests in these areas?

DINITZ: I will advise my government to accede to U.S. requests to the ultimate possibility and to the maximum possibility. I would not advise my government to do things which might undermine the very existence of Israel's security organization. Because I think a strong Israeli secret organization is also important for the United States and for the Free World.

DONALDSON: Returning documents that were stolen from the United States wouldn't undermine your security organization, would it?

DINITZ: I really do not know whether we have such documents, so I cannot tell you whether such documents should be returned. But I would say whatever does not undermine the accepted custom and the security of Israel's services I think would be done, and I'm sure that this is the spirit that will guide my government.

BRINKLEY: Mr. Dinitz, Jonathan Pollard, we are told, was dealing with an Israeli diplomat in your embassy in Washington and with another one at the U.N. mission in New York. Your government has disowned what they did and apologized for it.

What happened? Did they go into business for themselves?

DINITZ: No, I do not believe so. I believe that -- you mean when they were operating, if they did it on their own?

BRINKLEY: Yes.

DINITZ: They definitely -- they did it without the authority or the knowledge of the political level in Israel. I do not know all the details how they got involved in it in the first place. There are many stories reported about it, how the man first introduced himself as a volunteer. They didn't search him, they didn't recruit him, even as an official representative of the United States. And I think the thing has been due to negligence and very -- and I'm not belittling it -- very serious negligence, which we are now trying to undo. In fact, we are already undoing. But it was not done with the authority of the political level.

BRINKLEY: Mr. Dinitz, thank you....

Coming next, William Webster, Director of the FBI.

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BRINKLEY: Mr. Webster, thanks very much for coming in....

Now, one thing we're told is we're catching, so many spies are coming to be known because of better police work and detection, and so on. Is that so?

WILLIAM WEBSTER: That's part of it. It's certainly part of it.

BRINKLEY: All right. Then I want to ask you this. The Walker family was stealing secrets from the Navy, selling them for ten years, until a disgruntled ex-wife phoned in and blew the whistle on it. That doesn't sound like very good police work, does it?

WEBSTER: Don't confuse counterintelligence work with security precautions that definitely need improvement in all our agencies. The Walker tip was a very important one. It was a tip about one individual. A good investigation resulted in four indictments.

I've gone back to 1980 and there've been 33 arrests, 25 convictions, and I can only find two or three that were just off-the-wall tips. There were people whose business it was to tell us. There were recruitments in place that we developed. There were defectors that we utilized. There were electronic surveillance and physical surveillance. All of the things that are the tradecraft of counterintelligence.

I think we're doing a good job.

WILL: I'd like to ask you about the point that Pat Moynihan raises -- and I know he's talked to you about it -- this enormous invasion of American privacy by Soviets listening to what? I guess telephone communication that goes through the air.

How does it work? They can't single out -- they can't say, "I'm going to listen to Donaldson's conversation." Do they key on key words and use their computer to sort it out?

BRINKLEY: Let me interrupt and clarify one point. Are you talking about telephone conversations that are sent by satellite?

WILL: Or microwave.

WEBSTER: Microwave.

WILL: Most long-distance calls don't go underground through cables. They're in the air.

WEBSTER: Modern technology permits you to really single out and zero in on a specific telephone conversation, particularly if you know the location and the person who is sending it. They're very good at this. This technology is available for everyone.

WILL: Did they buy it from us?

WEBSTER: I don't know if they buy it or they developed it themselves or they stole it.

It's the kind of thing that our laws are behind the times on. We just really haven't caught up with this. Microwave interception probably violates -- does not violate our long-line Title III interceptions because there are no wires involved.

WILL: Do they zero in on particular callers or receivers of calls, or do they look for subject matter in a conversation?

WEBSTER: Both. The computers are working wildly for particular words, identifiers.

WILL: What if every American in every conversation said, "MX missile"? Would it overload their computers? I mean is that how it works?

WEBSTER: Let's try it sometime. I'd like to burn out a few fuses.

[Laughter]

DONALDSON: The Vitaly Yurchenko case, the Soviet KGB agent who defected to the United States and then went back to the Soviet Union in early November. It's said that two or three of the people who've been arrested and charged with espionage have been arrested because of tips that he gave. Is that correct?

WEBSTER: That's correct.

DONALDSON: Well, how much more is there? Are there others you have to arrest?

WEBSTER: I can't put it in terms of arrests. But we have opened a substantial number of cases based on very useful information that he has supplied. Not only new cases, but we're reviewing all the information that might reflect on other cases that were opened in prior years.

DONALDSON: All right. Does that suggest that Yurchenko was in fact a valid defector who simply changed his mind? Or are

these people so low-level that the Soviets may just have given it to us as part of the dissemination of propaganda and disinformation that he might have represented?

WEBSTER: Well, that analysis is ongoing, and I don't think we should close our eyes to that possibility. But certainly everything that I know about it is that it would be an act of folly to have given up that kind of information simply to have some embarrassment going on at the time of the summit. It's been very useful.

DONALDSON: Judge Webster, we've had a number of arguments made on this broadcast that perhaps spying by Israel should not be in the same league as spying by the Soviet Union. How does the Bureau attack these cases when you have a tip or you have some information suggesting that there is spying? Is one level on a higher level and another nation on a lower level?

WEBSTER: Well, necessarily, that's so. Those countries that we know are hostile to us and present national security interests get our full attention, with the resources, the limited resources that we have. Those countries that are friendly to us that occasionally get overzealous, when we become aware of those activities, well, we take appropriate steps. We do not have the resources to keep track of our friends in the same way.

DONALDSON: Well, then, what happened in the Pollard case? Why did it become such a public issue?

WEBSTER: Well, one reason it became a public issue, because the person who was actually charged is an American citizen who was selling, charged with selling classified information. It doesn't make any difference who he sells it to, he has betrayed his country, if those allegations are proven in court.

DONALDSON: Even if he sells it to Israel, one of our closest friends and allies.

WEBSTER: Absolutely. We have regular channels for dissemination of shared information, and that is not one of them.

DONALDSON: Well, upon conviction, should he receive the same type of sentence, severe sentence, that someone who spied for the Soviet Union might receive?

WEBSTER: Well, of course, he isn't convicted yet.

DONALDSON: That's right.

WEBSTER: And I shouldn't talk too much about him. But

if we talk about any person who sells to one of our -- information to one of our friends, classified information, the judge has to take into account the extent of the national security violation and the damage to the national security.

WILL: When we talk about espionage, most Americans think of it as one government taking the secrets of another government. But, obviously, the Soviet Union, out in the Silicon Valley and elsewhere, is interested in private-sector secrets, industrial espionage. Is that 20 percent, 30 percent, 60 percent? What's the most important espionage being done? Is it stealing government secrets or technology?

WEBSTER: Government secrets that relate to military plans and preparations certainly would always be at the top of the effort. But in the last few years, the Soviets, through the KGB, through the GRU, through other political departments which have access through trade commissions and so on to our public source material, have focused very heavily on our high technology.

WILL: At the summit, the two sides agreed to open consulates, one in Kiev and one in New York. Now, I gather we'll send them diplomats and they'll send us at least a third spies, if the ratio holds. Isn't that about what you maintain?

WEBSTER: I think that's a fair prediction.

WILL: And the President's agreed with Mr. Gorbachev to have student exchanges. Are there going to be any spies among the students, gray-faced, 60-year-old students coming over?

WEBSTER: I think that there will probably be that effort. But I think the numbers that are involved there are manageable, in the students. And I'm hoping that any...

WILL: But you're outgunned already.

WEBSTER: We are outgunned already. And I'm hoping that any new initiatives will take into account that factor and be charged against existing complements, if that's at all possible.

DONALDSON: Judge Webster, Friday night in Washington, on Connecticut Avenue, there was a suspicious fire against the offices of the Arab-American Anti-Discrimination Committee. Are you going to investigate that?

WEBSTER: The Alcohol, Tobacco and Firearms is currently investigating it because it falls clearly within their arson responsibilities. If there's any indication of a terrorist activity, we will get into it.

DONALDSON: Well now, you have said, the Bureau has said that the possible responsible group for two or three of these attacks on the Arab-American Anti-Discrimination Committee's offices around the country, particularly the one in Santa Ana, in which the director died, was the work, the possible work of the Jewish Defense League. Do you still hold that view?

WEBSTER: Well, we don't want to make -- we want to say that, to be absolutely clear, that there are similarities in the modus operandi of certain incidents which were claimed on the telephone by persons claiming it on behalf of the Jewish Defense League.

I think we have to confine ourselves to where we are. But certainly we are following this very closely and we have open investigations on all of them.

BRINKLEY: Thank you very much....

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BRINKLEY: Finally, one of these American spies sold the Russians American military technology that cost us several hundred million dollars, and they paid him 15,000 for it. For them, one of the great bargains in history, about equal to buying a Rolls-Royce at a yard sale for 75 cents.

Well, there are several reasons for these absurdly low prices. First, that a spy peddling secrets can only deal with one buyer, he can't auction them to the highest bidder, and he can't advertise what he is selling.

Second, some of our spies are simply flat broke. One of the accused, Ronald Pelton, said he was bankrupt, he had \$6.80 in cash, \$8.00 in the bank, a \$10.00 watch, five pairs of shoes, a bowling ball and a razor, period. The Russians bailed him out, apparently.

And third, the Russians are afraid of the Internal Revenue Service, afraid if American spies began living too lavishly and driving around in fancy cars, the IRS would ask where they got the money. They think the IRS is more eagle-eyed and more efficient than our counterintelligence agencies, and they may be right.

The result? Hugely expensive American technology sold to them for next to nothing.